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LOS ANGELES COUNTY

ECONOMY AND EFFICIENCY COMMISSION

ROOM 163, HALL OF ADMINISTRATION / 500 WEST TEMPLE / LOS ANGELES, CALIFORNIA 90012 / 974-1491

June 12, 1986

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Honorable Board of Supervisors
Los Angeles County
383 Hall of Administration
500 West Temple
Los Angeles, CA 90012

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Dear Supervisors:

SUBJECT: IMPLEMENTATION OF COUNTY REORGANIZATION AND SYSTEMS IMPROVEMENTS: AGRICULTURAL COMMISSIONER / WEIGHTS AND MEASURES

On September 13, 1983, on motion of Supervisor Antonovich, you adopted our report and recommendations, Decision-Making and Organization in Los Angeles County Government, assigned lead responsibility for implementation to the Chief Administrative Officer (CAO), and requested our commission to monitor implementation progress.

Our current status report, attached, contains a review of the results of consolidating the Departments of Weights and Measures and the Agricultural Commissioner. It is not, and should not be construed as, a review of the department head's performance or as a detailed management audit. Rather, we have stressed accomplishments to date and known results. We believe our findings will be useful to the Board, the CAO and the Department in setting goals for the coming year to complete the consolidation.

In conducting our review, we met with the department head, Paul B. Engler, and his staff. Several commissioners accompanied inspectors on their rounds and discussed the work with them. Our staff interviewed department, county, and state officials, and provided us with descriptive data on the new organization, its operations and workload, and its costs.

We commend the Agricultural Commissioner for his progress to date. Significant accomplishments are attributable to consolidation, in the areas of revenue increase, cost reduction and productivity improvement.

Our recommendations focus on the need to continue efforts to take advantage of all the opportunities created by consolidation. We remain enthusiastic about the effectiveness of consolidation of Weights and Measures and the Agricultural Commissioner. We stand ready to work closely with the department and the CAO in completing the consolidation.

THEREFORE, WE RECOMMEND that the Board of Supervisors adopt the attached report, including the recommendations listed below, and instruct the CAO and Agricultural Commissioner to incorporate our findings in the goals program for the coming year.

Recommendation 1:

The task force recommends that the Board of Supervisors direct the Agricultural Commissioner and the CAO to develop and implement a plan for:

- reorganization and training to take maximum advantage of cross-training, route optimization, and multiple certifications, where supported by data;

- annual goals for efficiency and effectiveness, including State-mandated statistical and cost categories.

Comment. The adoption and implementation of a plan will create opportunities for the Agricultural Commissioner and the Board to complete the reorganization to take full advantage of the opportunities for consolidating and integrating the functions of the two former departments. It can in particular provide a least-cost method of cross-training all eligible personnel and of deploying those with multiple certifications where they can most effectively be utilized.

Recommendation 2:

The task force recommends that the Board of Supervisors support the efforts of the California Agricultural Commissioners Association to change State laws to permit cross-certification of inspection personnel.

Comment. Without such legislation, full cross-certification, to take maximum advantage of opportunities created by consolidation, in Los Angeles County can occur only at the rate of attrition among incumbent inspectors of weights and measures, which is extremely slow. Acceleration is needed. Therefore, we recommend that the Board support the effort to change the legislation.

Recommendation 3:

The task force recommends that the Board of Supervisors request the Economy and Efficiency Commission, in collaboration with the CAO, to make a follow-up review of this department's progress within six months.

Comment. Two years have passed since the consolidation of Weights and Measures with the Agricultural Commissioner. Much has been accomplished to integrate the operations and improve productivity, and the Department has established goals for further progress

Task Force on Decision-Making
and Organization:

Robert J. Lowe
Susan Berk
Gunther W. Buerk
Joe Crail
Abraham M. Lurie
Dr. Alfred Freitag
Glenn Quillin
Daniel Shapiro

JC:rs
Attach.

Very truly yours,

Robert J. Lowe
Task Force Chairman

Joe Crail
Chairman

LOS ANGELES COUNTY

ECONOMY AND EFFICIENCY COMMISSION

ROOM 183, HALL OF ADMINISTRATION / 500 WEST TEMPLE / LOS ANGELES, CALIFORNIA 90012 / 974-1491

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June 4, 1986

Honorable Board of Supervisors
Los Angeles County
383 Hall of Administration
500 West Temple
Los Angeles, CA 90012

SUBJECT: IMPLEMENTATION OF COUNTY REORGANIZATION AND SYSTEMS IMPROVEMENTS

Dear Supervisors:

On September 13, 1983, on motion of Supervisor Antonovich, you adopted our report and recommendations, Decision-Making and Organization in Los Angeles County Government, assigned lead responsibility for implementation to the Chief Administrative Officer (CAO), and requested our commission to monitor implementation progress. In February, 1984, the Board consolidated the Department of Weights and Measures with the Agricultural Commissioner.

In a prior report, we reviewed the status of the overall program. In this report, the task force reviews the results of the consolidation of the Department of Weights and Measures with the Agricultural Commissioner. It is not our intent to assess the department head's performance, or to conduct a detailed management audit of the department's operations. In this report we stress accomplishments to date and known results. We have supplied the working papers that are the basis of our report to the Agricultural Commissioner and the CAO for their use in setting departmental goals for the year.

In conducting our review, we met with the department head, Paul B. Engler, and his staff. Several commissioners accompanied inspectors on their rounds and discussed the work with them. Our staff conducted thirty interviews of department, county, and state officials, and provided us with descriptive data on the new organization, its operations and workload, and its costs.

BACKGROUND

The Department of the Agricultural Commissioner / Weights and Measures performs regulatory functions with a direct impact on all eight million residents of the County, and with some impact on the region and the state as a whole. The purpose of the regulation is to protect consumers from the effects of pests which might contaminate the food supply or destroy crops, and from the effects of dishonest business practices which inflate the prices of produce, meat and fuel. The Department provides pest elimination services where appropriate, including weed abatement, rodent control, and coyote control. It licenses private pesticide users and regulates the use of pesticides by other governmental agencies.

The Department is accountable to the State Department of Food and Agriculture, which supervises statewide programs implementing the statutes. The Department Head is appointed by the Board of Supervisors.

The Department was budgeted in 1985-86 at $10.9 million and 270 positions. It generates revenue from fees for device registration and lot clearance, and from the supply of services to other jurisdictions. The revenue budget for 1985-86 was $6.3 million.

Both the Agricultural Commissioner and the Sealer of Weights and Measures share the mission of regulating industry and providing related services for the benefit of consumers. Both operate within the general supervision of the California Department of Food and Agriculture. Both rely on the techniques of inspection to enforce compliance with the law and to act as a deterrent against irresponsible practices. Both require a trained workforce of qualified inspectors, certified by the State. Many business establishments are inspected by both functions. Therefore, our commission supported the action of the Board of Supervisors to consolidate the two functions, and believes that the reorganization is a public benefit.

ACCOMPLISHMENTS

In implementing the consolidation, the new department has significantly improved the efficiency of fee collection, reduced the number of management positions, improved the internal personnel management system, increased the use of automation in several areas, cross-trained inspectors as allowed by law, improved the use of facilities and equipment, reduced paperwork by improved forms control, and increased productivity in three of eight programs for which we obtained data. The results of these changes are described in the following paragraphs.

Efficiency of fee collection. Prior to consolidation, each department operated with extremely thin administrative support. Consolidation permitted budgeting for additional accounting staff to support fee collection operations. This improvement resulted in annual revenue increases of at least $400,000. The associated annual personnel cost is modest, at $23,000.

Reduction of Management Positions. Prior to consolidation, the two departments

operated with four executive level positions, ten division level, and one administrative level manager. Consolidation permitted the elimination of a department head and chief deputy, restructuring of management to create a new level of Bureau Chief, and realignment of functions inspecting the same businesses and sites. The net annual savings is $32,000. The annual savings for two managers who took early retirement is $160,000. The addition of a Chief, Administrative Services, the creation of the Bureau level, and the upgrading of managerial positions reduced the net annual savings to $32,000. The one-time severance cost associated with early retirement was $92,000.

Improvement of Personnel Management. Consolidation permitted the strengthening of personnel administration by the addition of a Departmental Personnel Technician at an annual cost of $42,000. As a result, the department has succeeded in resolving formal employee grievances without resort to hearings by the Civil Service Commission. In 1983-84, two out of four grievances resulted in appeals; in 1984-85, all three grievances were resolved internally. In addition, the new function freed managers' time from administrative tasks, permitting greater concentration on management of line functions. We believe these improvements represent a substantial savings to the County, but we cannot quantify it.

Increased Automation. As part of its productivity improvement program, the department has automated device registration, billing, contract monitoring, and word processing.

Cross-training of Inspectors. Consolidation permitted improvement of productivity by broadening the scope of duties that can be performed by a single inspector, thus reducing the number of visits required to a single site to accomplish several inspections. For example, coverage of a food market prior to consolidation may have required two or more inspections - scales, produce, egg quality, and packaged foods. Since consolidation, half of the 40 inspectors of weights and measures have obtained one or more of the ten State certifications for various kinds of agricultural inspection. The number of site visits will be reduced as a result, thus improving productivity.

Use of Facilities and Equipment. Consolidation permitted the relocation of an inspection unit to one location from borrowed space in several facilities of other departments, resulting in a more efficient use of space.

Paperwork. Consolidation permitted the elimination of duplicative forms and documents and strengthened forms control. Printing costs have been reduced by combining letterheads, business cards, identification cards, personnel, payroll and administrative forms, and news bulletins. Forms for device registration have also been combined.

Productivity Improvement. Productivity is difficult to measure in the public sector. We define productivity as the program cost per unit workload for those programs for which workload measures are available. By this measure, a decline in unit costs, in constant dollars, corresponds to an increase in productivity. The measure does not take quality into account.

Since consolidation, the department has reduced unit costs in three programs by 16% to 49% as summarized in the table below. The reduction of 49% in the costs of inspecting fly traps is a major achievement. It is attributable to the Department's response to the recent infestations of fruit flies. The density of traps has been increased so that more can be inspected in the same amount of time. In addition, the Agricultural Commissioner is assigning an increased number of para-professionals to this function, thus reducing labor costs.

CHANGES IN UNIT COSTS
Agricultural Commissioner
1982-83 to 1984-85
(Constant Dollars)

Program	Unit Cost 1982-3($)	Unit Cost 1984-5($)	per	Percent Change
Pest Detection	256	129	100 Traps Insp	- 49
Produce Quality	26	22	1000 Containers	- 16
Vertebrate Pests	398	303	100 Acres Trtd	- 24

FURTHER RESULTS

We commend the department for the accomplishments of the consolidation program to date. We view it as a significant improvement in public benefit of these functions. We recognize increased revenue, cost reduction, and improved efficiency as direct results of consolidation so far.

However, our review has also convinced us that the consolidation of the Agricultural Commissioner and Weights and Measures is not yet complete. Further improvement is possible. In this section, we review the impact of consolidation on overhead and productivity. The expected benefits of consolidation included measurable reduction of overhead and increase of productivity.

Overhead Reduction. We define the overhead rate for a department function as the ratio of the labor costs of management and support staff and other indirect costs to the costs of direct labor, expressed as a percentage. The rates are used by the County to compute the charges for direct labor incorporated in the fees for services paid by private parties and other jurisdictions. Since consolidation,

- the department's overall overhead rate has declined slightly from 106% of direct labor to 105%
- overhead expenses have increased by $293,000, 8.8% over the previous year
- of the three fee-generating divisions, one has reduced its overhead rate, and two have increased it.

The overhead increases are attributable to certain factors which are not fully under the control of the department. Of the $293,000 increase, county-wide overhead allocated by the Auditor-Controller for the costs of building maintenance and other general expenses accounts for $76,000. Salary increases of $109,000 account for a substantial portion of the remainder. Finally, some of the increase is directly attributable to investment in the new functions which have improved revenue collection and personnel management. However, the rate of increase, 8.8%, is nearly double the rate of increase in the Consumer Price Index for the same period. We think that the department can and should improve control of overhead in fee generating programs.

Cross-training of Inspectors. As we noted above, the department has cross-trained and certified about 20 of its inspectors. However, it has not yet integrated operations so that cross-certified people work in all of the functions for which they qualify. In our ride-along inspections and our interviews we found that two or more inspections at the same site is still quite common.

In our view, three issues are relevant to the improvements that are possible through cross-training and certification.

First, the current internal structure of the department is an obstacle to cross training and to the effective use of cross-trained staff. The agricultural specialists are in one Division in the Consumer Protection Bureau, and the measures specialists in others. The probability is low that the division managers will enthusiastically promote a high degree of integration.

Second, the cross-certification of agricultural inspectors to check scales and meters which they encounter during retail produce inspections can be accomplished at any time. It is not dependent on employee turnover or on legislative action. To date approximately 10% of the agricultural inspection staff have obtained one or more weights and measures certifications. The department has not yet concentrated these employees in the Consumer Protection Bureau, where the greatest opportunities exist for unification of inspections.

Third, universal cross-certification of existing staff and mixing of function in the department are currently prevented by statute. The laws require those certified as agricultural inspectors to have academic credentials in agriculture or a biological science, while no degree is required to be a weights inspector. At present, the Agricultural Commissioner is participating in a Statewide committee to develop and sponsor a bill which, if it becomes law, will make existing weights and measures inspectors eligible to take the examinations for agricultural certifications.

Personnel Routing. The route planning system within divisions appears to us to be overly specialized. Inspectors plan their daily routes by industry classifications. Thus, even for an inspector who is trained to conduct several types of inspections, one day will be devoted to inspection of bakeries, and the next to inspection of packaged meat wholesalers. The inspectors may therefore visit the same neighborhood or shopping center on several days, or may bypass a site that could be

inspected on one day because of the specialized plan for that day. Arthur Young and Company conducted extensive work-measurement studies of these functions in the 1960's. Since then, the CAO has updated the standards and data. Because of the opportunities created by consolidation, we believe that additional studies of route planning are timely.

Productivity. As we noted above, the department has improved productivity in three programs. In addition, productivity has declined in five programs, as measured by unit cost increases ranging from 7% to 27%, summarized in the table below.

The declines may be attributable to the costs of improvements, improved quality of service, and transfer of personnel to emergency or new functions. We speculate that the unit costs of inspecting retail scales and packaged quantities increased because inspectors were taken out of service for training to qualify as agricultural inspectors. Quality has been improved regarding the depth and degree of inspection. Recent increased port activity includes a higher frequency of questionable shipments than in 1983. Finally, the Agricultural Commissioner faced major infestations of fruit flies during this period and was one of the participants in the county's response to the food crises in California (e.g. the watermelon crisis and the Jalisco cheese crisis). In addition, the department has added new functions in verifying the accuracy of computerized market check-out.

CHANGES IN UNIT COSTS
Agricultural Commissioner
1982-83 to 1984-85
(Constant Dollars)

Program	Unit Cost 1982-3($)	Unit Cost 1984-5($)	per	Percent Change
Meters & Scales	20	23	Inspection	+ 13
Packaged Quantities	11	14	100 Inspections	+ 27
Pest Exclusion	690	811	100 Shipments	+ 18
Pesticide Use	122	140	Inspection	+ 15
Nursery Condition	89	96	Inspection	+ 7

Data collected by the California Department of Food and Agriculture also suggest that additional productivity improvement is possible. In 1984-85, Los Angeles County's Agricultural Commissioner achieved lower unit costs than six other urban counties (Monterey, Orange, Sacramento, San Diego, San Mateo, and Santa Clara) in four programs for which State-wide data was available. However, both Alameda and San Francisco counties incur lower unit costs than Los Angeles County in three of the four programs, as summarized in the table below.

Comparisons based on State data must be used with extreme caution. The data are

highly variable. The variations result from a variety of causes, including such conditions as the geographical size of the county, the crop varieties, levels of noncompliance, size and concentration of facilities to be inspected, and the presence or absence of major ports, as well as on the County department's operational efficiency and strictness of enforcement. Moreover, the programs themselves may differ in content: Los Angeles inspects wholesale nurseries only, while other counties may include retail nurseries. In addition, although the State imposes and assumes a uniform standard of reporting, the data do not necessarily conform to the standard.

COMPARISON OF UNIT COSTS
Agricultural Commissioner
1984-85
(Current Dollars)

Program	Los Angeles	Alameda	San Francisco	Per
Pest Exclusion	871	216	757	100 Shipments
Nursery Condition	103	38	45	Inspection
Produce Quality	24	25	11	1000 Containers
Egg Quality	932	612	2127	100 Samples

Nevertheless, we believe that the data are useful, absent a more comprehensive statewide measurement program. That is, at a minimum, they point to areas that are worth further study for goal-setting purposes.

RECOMMENDATIONS

Recommendation 1:

The task force recommends that the Board of Supervisors direct the Agricultural Commissioner and the CAO to develop and implement a plan for:

- reorganization and training to take maximum advantage of cross-training, route optimization, and multiple certifications, where supported by data

- annual goals for efficiency and effectiveness, including State-mandated statistical and cost categories.

Discussion. The adoption and implementation of a plan will create opportunities for the Agricultural Commissioner and the Board to complete the reorganization to take full advantage of the opportunities for consolidating and integrating the functions of the two former departments. It can in particular provide a least-cost method of cross-training all eligible personnel and of deploying those with multiple certifications where they can most effectively be utilized.

Improvements in organizational structure and accelerated cross-certification of

staff will support optimization of the department's work assignments and inspection routes, especially in the Consumer Protection Bureau. The department is currently reviewing the structure of this Bureau.

Increased quantification of workload and cost should improve the department's ability to plan and monitor its progress on productivity improvements, including evaluation of which improvements translate most effectively into savings. Part of this program may include additional improvements of the department's data processing capability.

Recommendation 2

The task force recommends that the Board of Supervisors support the efforts of the California Agricultural Commissioners Association to change State laws to permit cross-certification of inspection personnel.

Discussion. One of the primary opportunities created by consolidation was to reduce duplication by certifying inspectors to conduct necessary inspections of food and produce while at a location inspecting scales or packaging. At present, 19 of the 40 employees certified as inspectors of weights and measures have also been certified by the State to perform one or more types of agricultural inspection.

State law requires applicants for certification as agricultural inspectors to have a college degree in agriculture or one of the biological sciences. Weights and Measures Inspectors do not meet this requirement. Although agricultural inspectors can easily qualify for weights and measures certification, the reverse is not generally true. A committee of the California Agricultural Commissioners' Association is currently developing a legislative proposal to modify the requirements to facilitate cross-certification while preserving necessary safeguards.

Without such legislation, full cross-certification in Los Angeles County can occur only at the rate of attrition among incumbent inspectors of weights and measures, which is extremely slow. Acceleration is needed. Therefore, we recommend that the Board support the effort to change the legislation.

Recommendation 3

The task force recommends that the Board of Supervisors request the Economy and Efficiency Commission, in collaboration with the CAO, to make a follow-up review of this department's progress within six months.

Discussion. Two years have passed since the consolidation of Weights and Measures with the Agricultural Commissioner. Much has been accomplished to integrate the operations and improve productivity, and the Department has established goals for further progress.

Our commission remains enthusiastic about the effectiveness of consolidation of the Departments of Weights and Measures and the Agricultural Commissioner, and stands ready to work closely with the department and the CAO in completing the consolidation.

Very truly yours,

Joe Crail, Chairman

Robert J. Lowe, Chairman
Task Force on Decision-Making and Organization

Members of the Task Force

Susan Berk
Gunther W. Buerk
Dr. Alfred J. Freitag
Abraham M. Lurie
Glenn Quillin
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cc: Agricultural Commissioner
Chief Administrative Officer
Auditor-Controller

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